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AZ CORP COMMISSION
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Arizona Corporation Commission

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF JOHNSON UTILITIES COMPANY FOR
AN EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR
WATER AND WASTEWATER SERVICE.

DOCKET NO. WS-02987A-05-0088

NOTICE OF COMPLIANCE WITH
DECISION NO. 68235, OR
ALTERNATIVELY, A MOTION
TO EXTEND COMPLIANCE
DATES

Johnson Utilities, LLC, ("Johnson" or the "Company") hereby files this Notice of Compliance with the Subject Decision on the basis set forth herein.

1. The Compliance Items set forth in Decision No. 68235, dated October 25, 2005, (the "Decision") regarding subsequent filings to be made by the Company related to that Certificate of Convenience and Necessity Extension Application, have previously been completed and docketed with the Commission. The one remaining Compliance Item is the requirement that the Company file a full rate application for its water and wastewater divisions based upon the Test Year 2006, and that filing be made by May 1, 2007.

2. The Decision also required the Company to post a \$500,000 Performance Bond (the "Bond") with the Commission, and to keep the Bond in effect until further order of the Commission. That Bond was docketed on December 4, 2006.

1 3. On March 30, 2007, the Company filed an Application with the Commission
2 requesting the Commission's authority to sell all of the water and wastewater assets (the
3 "Assets") owned by the Company to the Town of Florence (the "Town"), and further requesting
4 that the Commission cancel all Certificates of Convenience and Necessity previously issued by,
5 or pending before, the Commission.

6 4. Based upon that March 30, 2007 Application, the only uncompleted Compliance
7 Item requirement under the Decision is moot, and the Bond becomes unnecessary. The Town
8 will assume all ownership of the Assets and operation of the utility upon the Commission
9 granting the Application, presumably during the fourth quarter of 2007, or first quarter 2008.
10 Upon granting of the Application, the Commission would no longer have jurisdiction over the
11 Company, the Assets owned by the Town, or the Town's operation of the utility.

12 5. In the alternative, and in the event the sale to the Town is not consummated as
13 contemplated resulting in the Company continuing to own and operate the Assets and the utility,
14 the Company hereby requests an extension in time for the completion of the Compliance Item
15 pertaining to the rate case filing. Because the Company's efforts have been focused on
16 negotiating the sale to the Town during the time it would otherwise have been preparing the 2006
17 rate application, and for the further reason that the status of the sale will not be known until after
18 the presently scheduled Compliance Item filing date, the Company requests that in the event the
19 sale does not close, the Commission issue a Procedural Order extending the filing date to June 1,
20 2008 utilizing a 2007 Test Year.

21 WHEREFORE, the Company respectfully requests that the Commission deem the rate
22 case filing Compliance Item to be moot and thereafter find and conclude that the Company is in
23

1 compliance with the Decision and release the Bond, or in the alternative, that the Administrative
2 Law Judge issue a Procedural Order extending the compliance dates as requested herein.

3 RESPECTFULLY submitted this 30th day of March 2007.

4
5 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

6
7 By: 

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13 Original and fifteen copies of the
14 foregoing filed this 30th day
15 of March 2007:

16 Docket Control
17 Arizona Corporation Commission
18 1200 West Washington
19 Phoenix, Arizona 85007
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A copy of the foregoing
mailed/hand delivered this
30th day of March 2007, to:

Brian C. McNeil
Arizona Corporation Commission
Executive Secretary
1200 West Washington Street
Phoenix, Arizona 85007

Hearing Division
Arizona Corporation Commission
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